Dining Facility Inventory Management

Inventory Objective Value

- **Last Month's Earnings: $60,000.00**
- **Divide by Last Month's Number of Operational Days: 30**
- **Equals (Average Daily Earnings): $ 2,000.00**
- **Times Target Days of Inventory X 6**
- **Inventory Objective $12,000.00**

Surplus Inventory Value

- **Last Month's Ending Inventory: $20,000.00**
- **Minus Inventory Objective Value: $12,000.00**
- **Equals Surplus Inventory Value $ 8,000.00**

- **DSS Notes:**
  - **If the dining facility was not open the previous month, the inventory value (EOM inventory) will show as a surplus.**
  - **If the dining facility had less than 100 average lunch headcount for the previous month, the inventory objective is increased by 25%.**

Reducing Surplus Inventory

- **Do it over a period of months time.**
  - **Don’t start running out of food.**
  - **Must first establish good menu planning, ordering and inventory control procedures.**

- **<u>Key First Step</u>: Establish a Cycle Menu**
  - **The Menu is the central management document around which the whole food service operation revolves.**
  - **A Cycle Menu is a menu for a certain number of days or weeks that is repeated after a set amount of time.**
  - **Accounting Period – 1 Month.**

Inventory Control

- **Date all food items with date received.**
- **Check dates in ration storage areas on a routine basis to determine if they are being used within a 6-day period.**
  - **Food may no longer be on the Cycle Menu.**
  - **Food may have limited use on the Cycle Menu.**
  - **SPV ordering sizes too big. Be careful about reducing Prime Vendor Package sizes ($$ $=Distribution Fees).**
  - **DFAC orders rations without checking:**
    - **BOH**
    - **Due-ins**
    - **Due-outs**

Inventory Control

- **Use automated (EXCEL) Disposition of Subsistence to track food items over a menu cycle or month's time.**
  - **Start tracking next month.**
  - **Look at a previous accounting period. Use:**
    - **Monthly Inventories**
    - **SPV Receipts**
    - **Kitchen Requisitions**
    - **AFMIS Disposition of Subsistence (coded A,B,C)**
- **Determine if your running balance is set at the right level.**
    - **Too high = surplus inventory**
    - **Too low = run outs**

Par Level Management

- **Targeted Stockage Objectives**
- **Work well with routine/daily use items (predictable movers)**
- **Can use to establish standing orders**

- **Set Par Levels based on:**
  - **Cycle Menu**
  - **Expected Headcount**
  - **Usage History**

- **Everybody must be comfortable with Par Levels.**
- **Reduced Inventory = Less Inventory work.**

Ordering & Inventory Control

- **Ordering Rations:**
  - **BOH**
  - **Due-ins**
  - **Due-outs**
  - **Par Levels**

- **Increased Headcount = increased stockage levels.**

- **Conduct and track weekly inventories.**
  - **Field residuals**
  - **Large quantities**
  - **Slow or non moving items**

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